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166 --CRIWU

25 May 1950

Subject: BGFiend Operations in HESTEIN

To: Chief VLKiva.
Washington, D. C.

Attn: []

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE METHOD EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2007

You are. I am sure, well acquainted with the development of the Fiend Mission in HTStein but I would like to run through it again briefly, if for no other reason than to have all the facts set down in one place for present and future reference.

BGFiend received in January 1950 its authority to engage in certain activities in HTStein as a result of discussions between me and various KMLaver and ZRDepot people including Raymond K. Balster and Maylan L. Allard. The last two named gave their consent to our plan to form a Pixie Guard Company, enlisting for service Pixie DPs from KMFARCE camps in KMulcer and other BGNORTH countries and further that this guard company, while performing duties ordinarily assigned to such outfits and functioning so normally as to withstand the closest scrutiny for any irregularities, would in fact be a reserve pool of Pixie agents to be later used on clandestine operations in Pixieland. One stipulation made by Allard was that the Pixie Guard Company would be formed and maintained without an increase in the Occupation budget and it was understood that Fiend would reimburse ZRDepot for the wages paid Pixies serving in the guard company.

Balster and Allard also approved our plans to establish a covert school for training small numbers of Pixie recruits in some isolated area of HTSTEIN on the implied condition that the school would be so well hidden as to attract a minimum of attention and, if by chance exposed, it could not be identified as an official QKCigar unit. What these men were looking for of course was an opportunity to deny with reasonable plausibility any knowledge of such a covert area should it be blown and become the subject of an inquiry.

Pixie recruits, the HTStein authorities were told, would be withdrawn from the Guard Company in small groups varying from two to six men and be moved under close escort to the covert area for training. The separation of the Guard Company and the covert training would be absolute, and Pixies, once trained, would be taken out of HTStein for holding and staging elsewhere.

During the weeks immediately following these discussions, a serious recruiting program was reactivated through the Committee for Free Pixieland and in March 1950 accompanied by [] I returned to HTStein to mount the approved program firming-up details with the appropriate persons. First, Chas. B. Shriver, at my request, signed a memorandum from the High Commissioners Office stating that the High Commissioner had been informed in detail of the proposed BGFiend operations in HTStein and had given them his approval. On the basis of this memorandum Allard issued a ZRDepot directive authorizing logistical support to all Fiend activities. (Note: The original of Shriver's memo is being held in [] Fiend
le, one copy was at Allard's request given to Identity 1, ZRDepot, HTStein and a
v was shown to Identity 2.

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Amred with this directive the ZRDepot Labor Service Section was able to lay on concrete plans for forming a Pixie Guard Company and agreed to initiate a request to the KMFARCE for the movement of certain Pixies from KMULcer to HTStein as soon as a list of Pixie recruits could be made available. I promised to give Theodore A. Whitcher, Labor Service Section, a list of 125 Pixies by 20 March 1950 with the understanding that the request would be initiated through KMFARCE immediately thereafter. I also promised Whitcher that a Pixie-speaking ZRDepot officer [] would be ordered to DTELDER duty for ultimate assignment as one of the supervisory officers attached to the Pixie Guard Company.

Subsequently [] having explained his mission to and enlisting the aid of Identity 2, HBRELAY Post Commander, commenced a search of Identity 3 for an appropriate covert school site under ZRDEPOT requisition. No specific property was selected but certain general areas were determined to be the most desirable, and a* The HBRELAY Post Commander informed [] that the then current ZRDepot plan to regroup its scattered garrison troops would, during the following six or seven weeks make available several suitable properties and suggested that the final selection be delayed until mid-May 1950. (Note: The decision to follow this suggestion and postpone the search for a covert school site was based in part on the necessity for [] to return to this Nylon work in LCDRINK.)

Upon my return to HTStein on 27 April 1950, I learned that due to an unfortunate misunderstanding that the ZRDepot request to KMFARce for the Pixie movement had never been initiated. However, it was sitting - and had been for sometime - on ~~XXX~~ Whitcher's desk waiting on a direction from us that it go forward. The request, therefore, was finally initiated on 28 April 1950 and Whitcher was reassured that [] would be in HTStein and on duty with the Labor Service Section before the scheduled arrival of the first contingent of 125 Pixies.

This done, the next step in getting Fiend operations moving in HTStein was to lay on a specific plan for establishing a Fiend organization and to crystalize certain aspects of Fiend which up to that moment had not been thought out in detail.

The organizational plans that evolved are outlined briefly below. However, it should be borne in mind that certain specific details are not to be considered rigid but must remain flexible to meet situations which come to light as we are setting up our show.

I. HEADQUARTERS :

A. The fiend headquarters in HTStein will be established in HBRELAY under the cover of Identity 5. The Chief of Fiend Mission in HTStein (temporarily [] and his Administrative Assistant will work out of this office ostensibly as civilian employees of ZRDepot. Their status has been explained to the HBRELAY Post Commander by [] This headquarters will maintain the necessary liaison with ZRDepot and XMLAVER as well as supervise all Fiend activities in HTStein. Administratively they will be attached to the HTStein VLKiva station and will coordinate with the station all ZRDepot and XMLAVER liaison in order to avoid duplication of effort and to preclude any possibility of upsetting existing relations between the local authori-

*list of these areas was prepared for Identity 4, Chief of Staff, HBRELAY Mil. Post, indicating our preference.

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ties and the permanent VLKiva station.

II. THE PIXIE GUARD COMPANY

A. Original Contact:

1. A letter dated 2 Feb 1950 has been written by the National Committee for Free Pixieland to HTCurio High Commissioner offering the services of a number of displaced Pixies to ZRDepot for employment in a Pixie Guard Company. (See Attachment I). This letter will be discussed with Charles B. Shriver with a view to having a non-committal acknowledgement written by Balstar's office. In the event that such an acknowledgement is written both the original Committee letter and the acknowledgement will be held in [] 3GFiend files and no copies distributed. The purpose of this exchange of letters is of course to establish a first link in the chain which ends with the actual formation of the Pixie Guard Company and is only a precautionary measure taken in the remote event of some future enquiry into the employment of Pixies in HTStein.

B. Movement:

1. A letter from ZRDepot to KMFARCE, HTStein, on 28 April 1950 initiated a request that 125 displaced Pixies under KMFARCE care in KMULcer be delivered to Headquarters, Identity 6, on or about 20 May 1950. (See Attachment II). The 125 Pixies requested by name were those submitted to the ZRDepot by [] through HTSTEIN VLKiva station about 24 March 1950.
2. The letter of request was presented to KMFARCE by ZRDepot on [] assurance that [] would be available to fill one of the two officer slots in the T/O of the QKCigar Supervisory Command of the Pixie Guard Company.
3. Peter C. Zappono, has been informed of the coming Pixie movement from KMULcer to HTStein and has volunteered unofficially to assist in expediting it. It was arranged during conversation between Zappono, [] and [] to show him privately a copy of attachment I so that he might be familiar with the form of the request and thus better able to assist us. [] has undertaken making this contact. (Note: The current uncertain situation in the KMFARCE TPCredo organization may make it necessary for us to enlist Zappono's aid further in effecting future Pixie movements.)
4. Approximately thirty days after the first contingent of 125 Pixies arrives in HTStein a second contingent of about the same number will be available for shipment to HTStein for enlistment in the Guard Company. [] will again make available to Whitcher the list of names to be included in this second shipment and Whitcher, in turn, will initiate the request through his channels. This later request will follow a different routing from the first in that it will go through XNLAYER to KMFARCE rather than direct from ZRDEPOT.

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C. Enlistment:

1. Upon arrival in JBRELAY the Pixies will be met by Labor Supervisory Center personnel, including Lally, and taken directly to Identity 7 for two weeks indoctrination training. During this period they will be processed by local KMF force authorities.
2. After completing their indoctrination course the Pixies will be moved to a permanent Pixie Guard Company station somewhere in the HBRELAY area.
3. Future enlistment of additional Pixies in the Guard Company will be handled in the same manner.
4. It was agreed with Whitcher to furnish sufficient Pixie personnel to keep the minimum Company strength above 150.

D. Support:

1. ZRDepot will provide complete logistical support for the Pixie Guard Company in compliance with Maylan Allard's directive. (See Attachment III). It was originally understood that VLKiva would reimburse ZRDepot for the wages paid to men serving in the Guard Company. However, during conversations on 10 May between Allard, [redacted] and Identity 8, Allard indicated that he would be willing to have the Pixies paid out of reparation funds by the ZRDEPOT without any reimbursement by VLKiva. This possibility has since been confirmed by Heidg 0168. For security reasons it is infinitely better to have the Pixies' wages paid directly by ZRDepot, thus eliminating the necessity of having to introduce cash into ZRDepot accounts. It is possible that introducing cash into the ZRDepot budget would have called unnecessary attention to the Pixie Guard Company and possibly exposed it through this irregularity.

E. Withdrawal:

1. Members of the Pixie Guard Company who are selected for training in the covert area will be withdrawn from the Company in a manner consistent with existing regulations governing resignations from similar DP units. An individual wishing to withdraw from a Labor Service unit simply makes that request of the Company Commander. Subsequently he is paid off in full, his records terminated and he is turned loose. He is then free to find a place for himself on the HTStein economy or apply for the usual assistance and protection given eligible DPs, including immigration possibilities.

III. COVERT TRAINING AREA

A. Cover

1. The cover for the covert school will be a notional organization known as Identity 9. Ostensibly this will be a private organiza-

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tion engaged in research work and financed by a group of scientific universities and arms manufacturers. However, inasmuch as the work of this group will supposedly be of potential value to OKCIGAP, ZRDepot will be justified in contributing a certain amount of logistical support, principally in the form of real estate. The precedent for the government's lending official support to a private organization in HTStein has been established by the present relationship between XLAVER and the OKIVORY.

because

This cover was selected, among other reasons, the type of notional activity called for a degree of security in that the experiments being carried out were of a classified nature, justifying the exclusion of non-authorized personnel from the area. Further, the cover adequately explains frequent small arms fire. (Note: It was first thought that all fire arms training could be given on some deserted ZRDepot range at a reasonable distance from the covert school and thus eliminate the necessity for "covering" the sound of gunfire from the training area proper. However, this plan was abandoned after discussion with and on the advice of members of the HTStein VLKiva station.)

Identity 9 will never appear on the records as a unit of the HBRRLAY Military Post. It is also our current thinking that this organization should not have a backstop in HECurio.

B. Instructors:

1. Instructors attached to the covert school will enter HTStein as private citizens on 120 day tourist permits to be applied for in the normal manner. Once in HTStein the local VLKiva station can regularize the status of each individual according to the requirements dictated by extant conditions. The 120-days permits can be extended as required. Any quasi-official status these men may acquire in HTStein will be consistent with their apparent activities.

Personnel attached to the covert school will not have an APO number but will receive mail through one or more private addresses to be established.

These men will not be permitted to visit the BGFiend Headquarters Office in HBRRLAY.

C. Physical Requirements:

1. Ideally the covert area should be a hunting lodge-type property with perhaps two or three outbuildings located in an isolated section of Identity 3, well-screened from the public view and completely fenced. The buildings must be adequate to house at any given time a maximum of 20 Pirie students, five instructors, a housekeeping staff of about five men and perhaps a few guards. There must be sufficient space for ordinary classrooms, a W/T set-up for training eight to ten operators and ground within the fenced area sufficient to work fieldcraft problems, and to erect a firing

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range and obstacle course. In addition, private dwellings, in the general area of the covert school will be required for instructors and other personnel who have families.

D. Logistical Support

1. In compliance with Allard's directive ZRDepot will provide all logistical support required in form and amount dictated by Fiend security requirements.

Identity 10 has issued instructions that an officer from his branch be assigned to accompany [] to HBRELLAY to assist him in his search for a suitable covert training area site. Identity 10 stated that any suitable site now under ZRDepot requisition would be made available to HBFiend on our decision and request. He further agreed to furnish whatever property was selected (from furniture down to pots and pans) on a "one-time issue" basis, but suggested that for security reasons, continuing logistical support, particularly rations, might better be drawn through some cutout organization.

Identity 11, ZRDepot Identity 12, currently substituting for Identity 1, has volunteered to investigate the possibilities of BGFiend's drawing supplies through the Identity 13 at Identity 14. This will be followed up by [] when he arrives HTStein. Another possible cutout for drawing rations (suggested by [] was using one or two existing VLKiva units in Identity 3 which can readily overdraw supplies on their present authority. However, if necessary rations for the covert area could be purchased on the HBHOMER economy, but this would entail a considerable amount of administrative work. This last possibility must not be overlooked when choosing a training area.

It is also probable that housing for married personnel attached to the covert school must be acquired privately and not assigned by ZRDepot from their list of requisitioned properties.

IV. FIEND HTSTEIN ORGANIZATION:

A. Personnel Requirements:

1. It is estimated that the following staff is required to carry out the HTSTEIN phase of Fiend:
 - a. Chief Fiend, HTStein
 - b. Administrative and Finance officer
 - c. Instructors for covert school: senior instructor, two regular instructors, including Catton, W/T instructor, UHF instructor.

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- d. Pixie Guard company officer []
- e. Cook
- f. Medical corpsman
- g. Driver
- h. Housekeeping staff - 3-4 men
- i. Guards (possibly)
- j. Administrative officer at covert school (Holdstein)

B. Physical Requirements

1. The following are estimated requirements:
 - a. Headquarters office, HBRELAY (already acquired)
 - b. Covert school site
 - c. Safe house in or near HBRELAY to be used in moving recruits from guard company to the covert school.
 - d. Homes for married personnel
 - e. Vehicles to be purchased in HTStein under private registration: one truck, 3-4 passenger cars.

V. GENERAL OBSERVATIONS:

A. Fiend vis-a-vis VLKiva HTSTEIN station.

1. Fiend personnel will be attached to the local VLKiva station for administrative purposes but will function under the command of the BGFiend Field Commander. However, Fiend will coordinate its liaison with XMLAVER and ZRDepot with the local VLKiva station utilizing the already established key contacts.

- who?*
- B. No covert training can start; no Pixie recruits can be introduced into the covert school, until holding and staging areas outside of HTStein have been firmly established. This is an absolute necessity to avoid finding ourselves saddled with trained agents and no place for them to go. We cannot hold trained agents in HTStein and be consistent with our commitments to Balster.**

Attachments: I, II, III, and IV - under separate cover
Distribution: 1 cc for Londg
1 cc for Frang

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